

I am writing to express support for HB 6572, which will extend the deadline for municipalities to apply for participation in the program permitting a local option to adopt a two-rate form of property taxation.

The potential benefits of imposing a lower rate of taxation of property improvements than on the assessed value of land parcels is well-documented, both in economic theory and by the actual experience of communities in Pennsylvania and elsewhere that have moved in this direction.

Some years ago, as a market analyst and business manager in the Housing & Community Development group at Fannie Mae, I was charged with communicating the benefits of the two-rate system to civic leaders and stakeholder groups in cities throughout the Northeastern United States. Our research identified a very direct connection between the imposition of uniform tax rates on buildings and land and the decline of many urban communities. In 2003 we co-sponsored a public forum on the issue in Bridgeport and attracted considerable interest.

Respectfully submitted,

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